

# Key Budgetary Changes Affecting Small Businesses - FY 18-19 to FY 19-20

**Agency:** Department of Health

**Program:** Fiscal Intermediaries for the Consumer Directed Personal Assistance Program

**2018-19 Budget:** Not Applicable

**2018-19 Budget:** The Consumer Directed Personal Assistance Program (CDPAP) allows capable Medicaid recipients to self-direct personal care services/aides as opposed to utilizing a caregiver through a Licensed Home Care Service Agency (LHCSA). As caregivers providing services through CDPAP are not employees of an agency, Financial Intermediaries (FIs) provide the back-office payroll and fringe benefit management services for these workers.

The Enacted Budget establishes a more streamlined FI system in the State. The restructuring of FIs will be completed in three phases:

- **Phase 1** (4/1/19 to 9/1/19): Convene a stakeholder workgroup, chaired by the Department of Health (DOH), pertaining to fiscal intermediary services and the needs of consumers. The workgroup will identify and develop best practices pertaining to the delivery of fiscal intermediary services, inform criteria DOH is to use in the FI procurement process, and discuss other FI-related subjects.
- **Phase 2** (9/1/19 to 12/31/19): Reimburse FIs in a tiered per-member per-month (PMPM) structure in which the PMPM amount is dependent on recipients' number of authorized personal care hours.
- **Phase 3** (1/1/20+): DOH will contract with FIs that best meet the criteria developed by the workgroup to optimize the number of FIs operating in the State.

**Summary:** Saves the New York Medicaid program money: This initiative achieve savings through the consolidation of FI functions and introducing economies of scale efficiencies.

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**Agency:** Department of Health

**Program:** Early Intervention Program

**2018-19 Budget:** Not Applicable

**2019-20 Budget:** To be effectuated this fiscal year, the FY 2020 Enacted Budget included an administrative program change to the Department of Health's Early Intervention Program (EIP) that will provide up to \$6.7 million annually through 2022 to increase select provider rates for the program by five percent. The providers receiving the rate increase include licensed rehabilitation practitioners, specifically Physical Therapists, Occupational Therapists, and Speech-Language Pathologists.

The EIP provides a comprehensive array of therapeutic and support services to disabled and developmentally delayed children up to age three. The program serves approximately 69,000 children annually and is jointly financed by the Federal, State and local governments.

**Summary:** The statewide EIP is experiencing a service provider capacity shortage at the municipal level. Lack of qualified practitioners affects capacity to provide early intervention services and results in the State's inability to meet federally required timelines from eligibility determination to starting early intervention service delivery. The proposed solution was a rate increase for early intervention providers. Early intervention rates have not been increased in seven years. Increasing reimbursement rates for Physical Therapists, Occupational Therapists, and Speech-Language Pathologists will help improve timeliness and quality of early intervention service delivery and encourage participation in the program by qualified practitioners across New York State.

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**Agency:** Department of Labor

**Program:** Empire State Apprenticeship Tax Credit Program

**2018-19 Budget:** As of January 1, 2018, the Empire State Apprenticeship Tax Credit Program is providing up to \$10 Million annually through 2022 to offer tax incentives to certified businesses for employing qualified apprentices in demand occupations or industries or regional growth sectors. These include, but are not limited to, those trades identified by the regional Economic Development Councils such as clean energy, healthcare, advanced manufacturing and conservation. Qualified apprentices must be employed full-time for at least six months of a calendar year and must have been enrolled as an apprentice on or after January 1, 2018.

**2019-20 Budget:** As of January 1, 2018, the Empire State Apprenticeship Tax Credit Program is providing up to \$10 Million annually through 2022 to offer tax incentives to certified businesses for employing qualified apprentices in demand occupations or industries or regional growth sectors. These include, but are not limited to, those trades identified by the regional Economic Development Councils such as clean energy, healthcare, advanced manufacturing and conservation. Qualified apprentices must be employed full-time for at least six months of a calendar year and must have been enrolled as an apprentice on or after January 1, 2018.

Apprenticeship tax credits will be available for apprentices for up to five years with enhanced tax credits for disadvantaged youth aged 16-24 and additional tax credits for programs where apprentices are trained by a mentor for the full calendar year.

**Summary:** Saves New York businesses money: This program will make the tax credit available to businesses across the state as they train New York's future skilled workforce.

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**Agency:** Department of Labor

**Program:** New York Youth Jobs Program

**2018-19 Budget:** As of January 1, 2018, the available credit will increase to \$750 per month up to six months for eligible youth hired full-time with an additional \$1,500 for retaining the youth an additional six months and another \$1,500 for retaining the youth a second full year. For youth hired part-time the available credit will increase to \$375 per month up to six months for with an additional \$750 for retaining the youth an additional six months and another \$750 for retaining the youth a second full year. Number of certified youths: 47,402.

**2019-20 Budget:** As of January 1, 2019, the available credit remains at \$750 per month up to six months for eligible youth hired full-time with an additional \$1,500 for retaining the youth an additional six months and another \$1,500 for retaining the youth a second full year. For youth hired part-time the available credit remains at \$375 per month up to six months for with an additional \$750 for retaining the youth an additional six months and another \$750 for retaining the youth a second full year.

**Summary:** There are no changes to the current program.

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**Agency:** Department of Labor

**Program:** Existing Employee Training Program

**2018-19 Budget:** Continued as of part of the Governor's Consolidated Funding Application opportunity for Round 8, \$2 million is available to provide occupational skills training courses for employed, existing workers seeking to enter or remain in middle-skill occupations with private for-profit or not-for-profit businesses, with two or more employees.

**2019-20 Budget:** Included in the Governor's new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$10 million (of which \$1 million is federal Workforce Innovation and Opportunity Act (WIOA) funding and \$9 million is NYS reemployment services funding) is available to provide occupational skills training courses for employed, existing workers seeking to enter or remain in middle-skill occupations with private for-profit or not-for-profit businesses, with two or more employees.

**Summary:** The Existing Employee Training (EET) Program saves New York businesses money: Supports training programs that meet the specific needs of business; helps current workers obtain the skills needed to meet the ever-evolving demands of business to retain employment or advance to higher positions within the company.

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**Agency:** Department of Labor

**Program:** New Hire Training Program

**2019-20 Budget:** Included in the Governor's new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$6 million (of which \$1 million is federal Workforce Innovation and Opportunity Act (WIOA) funding and \$5 million is NYS reemployment services funding) is available to provide on-the-job training to employees upon being hired or during the first six months of employment.

**Summary:** The New Hire Training (NET) Program saves New York businesses money by supporting training programs that help newly hired workers obtain the skills needed to be fully qualified in their jobs.

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**Agency:** Department of Labor

**Program:** Unemployed Worker Training Program

**2018-19 Budget:** Continued as of part of the Governor's Consolidated Funding Application opportunity for Round 8, \$3 million is available to fund private for-profit or not-for-profit businesses; public and private not-for-profit businesses, Local Workforce Development Boards (LWDBs) or private for profit or not-for-profit training providers, with two or more employees. Participating entities will provide occupational skills training courses that will qualify unemployed and/or underemployed workers, with an emphasis on priority populations, to enter employment or obtain a higher level of employment.

**2019-20 Budget:** Renamed the Unemployed/Underemployed Worker Training program and included in the Governor's new Consolidated Funding Application Workforce Development Initiative (CFA WDI), \$9 million (of which \$3 million is federal Workforce Innovation and Opportunity Act (WIOA) funding and \$6 million is NYS reemployment services funding) is available to fund private for-profit or not-for-profit businesses; public and private not-for-profit businesses, Local Workforce Development Boards (LWDBs) or private for profit or not-for-profit training providers, with two or more employees. Participating entities will provide occupational skills training courses that will qualify unemployed and/or underemployed workers, with an emphasis on priority populations, to enter employment or obtain a higher level of employment.

**Summary:** Saves New York businesses money and develops a local talent pool with relevant occupational skills that provide a competitive advantage to businesses. Supports training programs that will address the insufficient supply of workers by providing the specific occupational skills and credentials needed by local businesses.

**Priority Populations:** With an emphasis on serving priority populations, Unemployed Worker Training (UWT) Program will provide additional points in scoring to proposals that seek to train at least 50% of their intended participants from one or more of the following categories: displaced homemakers, low income individuals, Native Americans, individuals with disabilities (including youth with disabilities and recovering drug addicts), older individuals, individuals currently and formerly involved in the justice system, homeless individuals or homeless youth, youth who are in or have aged out of the foster care system, individuals who are English language learners, individuals who have low levels of literacy, individuals facing substantial cultural barriers, migrant and seasonal farm workers, single parents (including single pregnant women), long term unemployed workers, Temporary Assistance and Needy Families (TANF) recipients, Supplemental Nutrition Assistance Program (SNAP) recipients, and veterans.

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**Agency:** Department of Labor

**Program:** Western New York Employment Strikeforce

**2018-19 Budget:** Deployment of the Unemployment Strikeforce Initiative to Western New York (WNY) with a focus on the cities of Buffalo, Lackawanna, and Niagara Falls.

**2019-20 Budget:** Deployment of the Unemployment Strikeforce Initiative to WNY with a focus on the cities of Buffalo, Lackawanna, and Niagara Falls. Since implementation in early 2016, over 28,000 job seekers have been served and 18,955 have gained employment.

**Summary:** The WNY Employment Strikeforce saves New York businesses time and money while providing a competitive advantage: The Strikeforce initiative will provide skilled jobseekers directly to hiring businesses.

- Outreach that engages members of the business community, identifies hiring businesses, develops job openings for Jobs Express and provides customized recruitment services that fill those openings with the initiative's customer's skill sets.
  - Daily outreach directly engaging businesses to connect Strikeforce customers to jobs.
  - Development of customized recruitments and job fairs: Coordinates and schedules events, posts all openings, works in conjunction with Career Center staff to ensure all openings are matched and qualified customers are referred.
  - Maintains communication with business customer and monitors matching and referral services of Career Center staff to ensure business satisfaction with quantity and quality of candidates referred.
  - Provides resumes of qualified applicants directly to hiring managers and advocates on behalf of customers with the business.
  
- Job placement services that match each unemployed customer to multiple job openings with the goal of job placement. Services include:
  - Work with community partners to identify customer base of jobseekers in need of assistance.
  - An initial assessment of a customer's knowledge, skills, abilities and work history.
  - A job search strategy with customer's unique employment needs in mind.
  - A job-search-ready resume.
  - Job leads and referrals to jobs.

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**Agency:** Department of Labor

**Program:** Apprenticeship Expansion Grant (combined with the Middle Skills Jobs Gap Training Fund)

**2018-19 Budget:** Continue the grant solicitation by making \$4.1 million available to serve approximately 800 new apprentices in Registered Apprenticeships (RA) in trades in high-demand occupations, with a focus on the emerging fields of Advanced Manufacturing, Healthcare, and Information Technology, as well as other in-demand occupations. RAs in the field of construction are not eligible for funding under this Request for Application (RFA) unless the trade is to be used for the upkeep and maintenance of a facility owned by the business entity employing the apprentice. This funding will cover costs associated with training apprentices through RA, such as Related Instruction (RI), On-the-Job Training (OJT), books, and tools.

**2019-20 Budget:** Continue the grant solicitation by making \$3.7 million available to serve apprentices in Registered Apprenticeships in trades in high-demand occupations, with a focus on the emerging fields of Advanced Manufacturing, Healthcare, and Information Technology, as well as other in-demand occupations. RAs in the field of construction are not eligible for funding under this RFA unless the trade is to be used for the upkeep and maintenance of a facility owned by the business entity employing the apprentice. This funding will cover costs associated with training apprentices through RA, such RI, OJT, books, and tools.

**Summary:** Saves New York businesses money while providing a competitive advantage: The Fund will ensure that New York has a pool of middle-skill workers available to meet the business needs specific to each region, and innovation-based businesses will continue to bring their employment opportunities to New York. This access to available talent will reduce recruitment costs for businesses, provide a competitive advantage and help to retain businesses in the state.

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**Agency:** Department of Labor

**Program:** Rebrand Career Centers

**2018-19 Budget:** Rebranding has occurred across the state for the majority of the 96 Career Centers. This has allowed for a unified brand that is inclusive of federal, state, and local partner identifiers. As a result, Career Centers are more easily recognizable by the job seekers and businesses in need of our services. Efforts to modernize our Career Centers will continue and include upgrading equipment and expansion of virtual services available to our customers.

**2019-20 Budget:** Initial branding has been completed. Further branding in the Career Center System will continue as we modernize our Centers.

**Summary:** Rebranding helps to unify the New York State Career Center system. The centers will be attractive and easily recognizable to businesses and as such, will aid in ease of use of the no-cost job posting services, recruitment assistance and human resource consultation services that are available.

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**Agency:** Department of Labor

**Program:** New York State Tech Workforce Training Fund

**2018-19 Budget:** NYS Department of Labor is preparing the release of a Request for Proposal (RFP) to implement the Governor's Tech Workforce Training Fund initiative. The RFP will be funded with up to \$5 million in Workforce Innovation and Opportunity Act (WIOA) Statewide Activities funding. Specifically, the RFP seeks appropriately qualified entities to provide full-time, immersive occupational training for a minimum of three months and job placement in software engineering or web development with emphasis on statistically under-represented special populations.

**2019-20 Budget:** A newer version of the RFP is being prepared for a future release, date to be determined (TBD).

**Summary:** Through the funding of a full-time immersive occupational training and job placement program, the number of New Yorkers with the skills and talent to fill available technology jobs will increase and residents who lack access will be connected to quality training and educational opportunities for the new and evolving field of software engineering or web development.

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**Agency:** New York State Homes and Community Renewal, Office of Community Renewal, Governor's Office of Storm Recovery (GOSR)

**Program:** Hurricane Sandy Business Assistance Programs (Small Business Grant Program, Small Business Mentoring Program, Tourism and Marketing Program)

**2018-19 Appropriation (or Tax/Fee Level if applicable):** Not applicable.

**2019-20 Appropriation (or Tax/Fee Level if applicable):** Not applicable.

**Summary:** New York State has allocated \$124.27 million of the State's first and second allocations of supplemental federal Community Development Block Grant Disaster Recovery (CDBG-DR) for programs designed to assist in the recovery of small businesses impacted by Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee. As of Action Plan Amendment 18, approved by HUD on January 17, 2018, the Sandy Business Assistance Programs allocation was increased by \$11.27 million, to \$124.27 million. The Small Business (\$94.6 million allocation) and Business Mentoring programs (\$400,000 allocation) are now closed to applicants, and the decrease in the allocations accounts for revised Program data and unmet need analysis based on actual eligible expenses and on data of Program applicants. These funds are slated to be reallocated to the NY Rising Homeowner, Buyout and Acquisition, and Rental Buildings Recovery Programs as described in the Amendment

- **Small Business Recovery Grant Program:** Provides grants to eligible storm-impacted businesses for working capital expenses, for the purchase or repair of damaged equipment, for the renovation of facilities that were damaged or destroyed, and to support mitigation efforts to protect the business from future storms. Grants of up to \$50,000 are available to small businesses, as defined by the SBA, in one of the State's designated disaster areas (not including NYC). Businesses that have suffered physical damage and are at risk of closure or significant employment loss can have grants extended up to \$250,000. Businesses must have suffered eligible uncompensated losses and/or incurred mitigation costs as a direct result of Superstorm Sandy, Hurricane Irene, or Tropical Storm Lee. The Program has been closed to applicants since May 1, 2015 and completed award determinations on all original applications as of the fall of 2016. All eligible future construction projects were completed as of December 1, 2018. As of August 2019, the Program has awarded 1,057 businesses a total of more than \$53.5 million and has provided disbursements in the amount of approximately \$53.4 million to 1055 businesses. Additionally, the Program has closed out over 768, or 73% of the total Small Business Program applications.

- Coastal Fishing Industry Businesses: Provides additional grant assistance of up to \$50,000 to affected businesses or individuals qualified as a Coastal Fishing Industry that are eligible for assistance under the Small Business Recovery Grant Program. Businesses that are eligible for additional assistance under the Coastal Fishing Industry Program are not eligible for additional assistance under the Seasonal Tourism Industry Program.
- Seasonal Tourism Industry Businesses: Provides additional grant assistance of up to \$50,000 to eligible seasonal tourism businesses that are eligible for assistance under the Small Business Recovery Grant Program. Businesses that are eligible for additional assistance under the Seasonal Tourism Industry Program are not eligible for additional assistance under the Coastal Fishing Industry Program.
- Economic Hardship: Provides additional grant assistance of up to \$50,000 for eligible small businesses that experienced documented losses of at least 30% in gross revenues in the year following the applicable storm.
- Mitigation: Provides additional grant assistance of up to \$100,000 for eligible small businesses that experienced documented physical damage from any of the storms and requested assistance for activities that are determined to act as mitigation against future storm damage, such as elevating buildings or utilities above the projected flood level or upgrading materials or otherwise flood-proofing building elements to better withstand future damage.
- Small Business Mentoring Program: Provides a web-based platform for small businesses to connect with larger, mentor businesses and/or business professionals. This \$400,000 program was implemented by NY Empire State Development to provide eligible technical or legal assistance and business coaching to assist businesses in rebuilding their businesses and become more resilient in the face of future disaster events. Consultants and business coaches were made available to small businesses, as defined by the SBA, to discuss business development and recovery issues. As of August 2019, more than 7,123 small businesses and 1,668 mentors are participating in the innovative Program, having held 4,249 engagements and providing one-on-one counsel and guidance for establishments in need.
- Tourism and Marketing Program: Provided up to \$30 million in assistance to NY Empire State Development to implement a tourism and marketing program designed to promote the storm-impacted areas of New York State.